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Facilities of the Port of New Orleans

By WALTER PARKER

General Manager, New Orleans Association of Commerce

NEW ORLEANS, seeking to become in fact as well as in theory, the port market of lowest resistance for the Mississippi Valley, has, in ten years, done the following constructive things:

Destroyed 250,000 open cisterns in order that the *stegomyia fasciata*, or yellow fever transmitting mosquito, can have no place there to breed. In this way the danger of yellow fever epidemics has been completely removed. Expense involved, about \$12,000,000.

Rat proofed 150,000 buildings so rats can find no breeding places. Without rats there can be no rat epizootic and no rat fleas to transmit the disease to human beings in the form of bubonic plague. Expense involved about \$9,000,000.

Caused the operation of quarantine regulations along the Gulf Coast to pass from the jurisdiction of the several states to the federal government. In this way, varying and irregular regulations against the bringing in of disease from tropical countries have been replaced by constant and wise regulations of a completely uniform character.

Built five miles of steel covered wharves along the harbor front at a cost of about \$5,000,000.

Built the world's largest and most efficiently equipped cotton warehouse and terminal at a cost of about \$3,500,000, exclusive of the land. It has a storage capacity of 425,000 bales, and an annual handling capacity of 2,000,000 bales. It is now being enlarged.

Built the world's most efficient grain elevator at a cost of \$2,000,000; capacity, 2,250,000 bushels. It can load or unload four ships at one time. Handling capacity, 96,000 bushels per hour.

Built and equipped a complete municipal belt railroad which connects and serves all railroads entering the city, all wharves, landings, warehouses and industries. Investment, about \$1,500,000.

Installed a complete and modern system of sewerage, drainage and pure water supply. Investment made and to be finished, about \$40,000,000.

Abandoned the councilmanic form of municipal government, and adopted the commission form which functions as a board of directors with the mayor as presiding officer and in effect municipal manager.

Has almost finished the building of an Industrial Canal and Inner Harbor for private enterprise. This cost about \$12,000,000; ultimately will cost about \$25,000,000.

Caused amendments to the state constitution which exempt money on deposit, mortgage notes and steamships domiciled in a Louisiana port from all forms of taxation.

Has begun highway construction on a large scale and is now building two highway outlets to the city across many miles of wet prairies at a cost of about \$50,000 a mile.

Led the people of the valley in a successful effort to bring about revived commercial use of the Mississippi River.

Spent ten years in scientific study of its industrial, commercial and port problems and sent engineers and economists all over the world to make investigations and to apply the information to the local situation.

In addition a general commodity warehouse and river-rail-ocean terminal of 1,500,000 square feet of storage space has been completed by the United States Army Quartermaster for supplying the Canal Zone. Cost, \$13,000,000 exclusive of land.

Other projects under way or in process of development include:

The opening of a deep ship channel direct from the gulf through Lake Pontchartrain to the harbor, thus creating a slack water channel thirty feet deep at low tide and shortening the distance to Key West by about one hundred miles.

The piping of natural gas to the city from the newly discovered gas field at Houma, La., fifty miles away.

The completion of the Inter-Coastal Canal, extending from Florida to Brownsville, Tex., by building a section beginning at New Orleans and extending westward about fifty miles. Much of the work has been finished.

With this record of accomplishment and projects pending as a guarantee of good faith, New Orleans in January, 1919, invited the people of the Mississippi Valley to organize an association for the purpose of capitalizing a valley-wide opportunity, that of reestablishing the north and south trade channels of low natural resistance, and the opening up of new foreign markets of great promise in Mexico, Central America, South America, Australia, the Philippines and the Orient. The association was formed at a meeting in New Orleans, and through it the people of the Missis-

issippi Valley now are coöperating for the development of their foreign trade through greater use of waterways, their easy grade railways and their port of easiest access in reaching the Panama Canal and the world's new markets of great promise.

NEW ORLEANS' VISION

The close of the world war brings squarely before the people of all nations many new problems. Of one sure effect of the war no man need entertain any doubt. The whole world will be more efficient in the generations to come. The burden of national debt and the tax on enterprise will force the permanent reduction of waste, lost motion and unnecessary service. The wealth accumulating ability of the privileged few will be curtailed, while the wealth acquiring ability of the many—the workers and toilers—will be increased.

Old trade routes will lose importance because old markets have lost purchasing power. New trade routes will be established because unexploited regions where natural resources exist must be developed.

New Orleans men, in their study of New Orleans' problem, gained a comprehensive knowledge of ultimate trade route changes which they were actively discounting in their development of the port of New Orleans. The great war has brought these changes earlier than New Orleans expected. Nevertheless, the work of preparation done by the city discounts them just the same. In the last analysis, the entire problem incident to the world's new trade economy hinges on economy of transportation.

SOME INTERESTING HISTORY

New Orleans was founded in 1718 by the French, who have long encouraged community endeavor. They expected the new world city at the mouth of the Mississippi River to become one of the greatest of ports. So they dedicated the entire harbor frontage, forty-one miles, to public ownership; and the Louisiana Purchase treaty of 1803 fixed this as a permanent condition which cannot legally be changed.

When New Orleans became a part of the United States in 1803 it came under the domination of the English school of commercial thought and practice. This school is the reverse of the French

school. It does not believe in communal endeavor but pins its faith to private enterprise.

Thus a serious conflict of commerce schools occurred on the harbor front of New Orleans. The conflict attracted nobody's attention because in 1803 there were neither steamboats nor steam trains and, as the flat boat and sailing ship were the only means of merchandise transportation, and labor was the lowest cost element in the city's life, nobody gave a thought to the creation of port equipment.

Later, when the steamboats came and the need arose for harbor front warehouses and commodity handling facilities the spirit of the French school of development had subsided, and the spirit of the English school, which business men of the United States were following, could find no expression because the condition of public ownership prevented private enterprise building warehouses and terminal facilities there.

At first this handicap did not matter so much because the river and the boat lines enjoyed a complete monopoly of Mississippi Valley commerce. Costs were high because facilities were lacking, and the loss from weather damage was great. But shippers in the valley had no recourse until the railroads came.

Here again the problem arose. There was no commerce except at the river towns. The drift of that commerce was up and down the rivers, and shippers knew no port market other than New Orleans.

The railroads in competition with the boats tapped all the river towns, and sought an outlet at New Orleans which valley shippers had always been accustomed to use. But they encountered the same difficulty which the boats had encountered in getting access to the harbor front and in creating the facilities they required. Years later some of the great railroad systems succeeded in a measure, but doubt, delay and lack of equipment at New Orleans during the formative period of railroad development were in a large measure responsible for a complete reshaping of the valley's drift of commerce.

At every other port the railroads received not only a welcome but an opportunity to obtain harbor frontage and create all the facilities required to coördinate the rail and ship lines.

Meanwhile the boats in the Mississippi Valley trade suffered

in other directions. First, they were passenger boats, and their cargo space was limited. Expense of operating was high. Boat owners seemed unable to throw off the ground-in conviction that the trade belonged to them by old time monopolistic right, and that through bills of lading, regular schedules, conveniences of all kinds and business management developed by the railroads were innovations that should not be adopted by the boat lines.

In other words, economic railroad transportation fought uneconomic boat transportation for control, and won.

In the natural course of events, the railroads then succeeded in changing the drift of Mississippi Valley commerce from the north and south water ways and easy grade railroads to artificial east and west routes over mountain ranges.

Because of this change in the drift of commerce, under way when the Civil War began, New Orleans' commanding position in the Mississippi Valley became affected. When the Civil War ended New Orleans experienced great difficulty in readjusting her affairs and reëstablishing her commerce under the new order.

During the succeeding years natural advantage of position remained New Orleans' only great asset. More and more Mississippi Valley commerce moved by way of the Atlantic seaboard. Western Europe; nearer New York than New Orleans, was America's principal market, a fact which greatly assisted the east and west railroads in developing valley commerce in spite of the mountain grades.

With this changed drift came, of course, an east and west cast to commercial and financial thought. Even the telegraph as well as the mail system became largely an east and west affair, and in time the telegraphic news services maintained by the newspapers became largely influenced by east and west interests, and news matter possessing a north and south cast, or an interest for people occupying a region possessing common economic problems, encountered difficulty in gaining full attention and circulation.

THE AWAKENING

In 1892 New Orleans began to fret under the loss of commerce. In 1898 New Orleans began to think; in 1905 to act, and in 1910 to understand her problems and their solution. Since then her program of accomplishment has been carried forward in the face

of obstacles of which the world war, with its high cost, difficulties of finance, scarcity of labor and drain on material, was only one.

Today New Orleans has progressed so far on the road to completion that her citizens recently responded to the call of their mayor, Honorable Martin Behrman, for \$105,000 in cash with which to tell the people of the country, through the advertising columns of national magazines, that New Orleans is now ready to serve the valley more efficiently and at less cost than other ports, and that the port and city are now ready to begin the growth so long predicted and so long delayed.

FINE POINTS OF ECONOMY

The facilities which New Orleans has established and is establishing are publicly owned and operated without profit. These facilities rest on publicly owned land, and represent an enormous value because of their strategic location. In calculating the cost of her facilities, New Orleans does not take the value of the land, or harbor frontage, into consideration; consequently the necessary earning power of each facility is predicated on the cost of construction only. These properties pay no taxes, and the money used in their creation is obtained from the sale of 5 per cent forty-year public improvement bonds sold as a rule above par. The credit of the state of Louisiana is the underlying security, though the earning power of the facility itself is ample to take care of bond interest, amortization, upkeep and operation, with a margin of safety.

The port and its harbor front facilities are under the control and jurisdiction of the Board of Commissioners of the Port of New Orleans, commonly called the Dock Board, composed of five men named by the governor, who serve without pay.

The municipal Belt Railroad is operated by a Board, a majority of the members of which are nominated by the commercial exchanges of the city. The mayor is chairman of the Board.

This body, as well as the Dock Board, was created in spite of active opposition from private corporate interests. The fight for a public terminal belt began over 20 years ago. In 1900 the first ordinance establishing the Public Belt Commission was passed, and four years later the first two miles of track had been laid by a shrewd bargain with one of the very railroads fighting it.

Today it owns 60 miles of track which can accommodate nearly 2,500 cars; and by means of its spurs any industry which needs to reach river or rail terminals can do so. Freight entering or leaving the city over any railroad may be switched to the docks or to any other rail terminal at a fixed low charge for switching. It has also been extended to the banks of the Industrial Canal. Its capital stock was a municipal due bill for half a million dollars and the right to use public property as a right of way. Today it possesses a borrowing and financing power of its own, and expects to invest millions in a bridge over or a tunnel under the Mississippi River. It recently spent \$50,000 to determine whether a bridge or a tunnel would serve the city's interests best.

Because of public ownership of the land along the forty-one miles of harbor front, land worth probably \$10,000 an acre on the average, some remarkable aids to commerce and industry are effected.

THE COTTON WAREHOUSE

This facility represents a cash outlay of \$3,500,000. It stands on 100 acres of river front. Most of this land was created by pumping silt from the river and building up the low banks above high water mark. The warehouse and terminal are equipped with every practical device for the saving of time and money. It has three great extra density compresses through which the compressed bales from the interior pass and by which the bales are reduced to about half the size of the ordinary compressed bale, or to about one quarter the size of the ordinary plantation bale of commerce. In this way a great saving in ocean freight rates is effected, amounting sometimes to as much as \$3 a bale.

All of the trucking is done by electric trucks. In this way one man can move ten and even twenty bales to or from any part of the warehouse. With hand trucks, the ordinary way, one man can move only one bale.

The warehouse is divided into air-tight, fireproof, sprinkler equipped compartments, each of a capacity of 1,600 bales, or 800 bales to the tier. Through the use of a simple device called a "bale puller," which is operated by the conveyor operator above, any bale anywhere in the pile can be extracted in a few moments without injury and without disturbing the pile. In this way the

great economy of piled storage and the great efficiency of single bale storage are gained.

In ordinary warehouses a piling and unpling fee of twelve cents a bale is charged. This fee is saved in the New Orleans warehouse.

Warehouse receipts against cotton stored in the New Orleans warehouses are issued by the state. The New Orleans Cotton Exchange Inspection Bureau, which maintains a large cash guaranty fund, inspects the cotton and issues a certificate showing grade, staple, weight, class and condition. These two pieces of paper outstanding against a world-used, hedged commodity stored at rail-boat-ship side at a strategic point of primary distribution and export, forms the highest character of bankable collateral. With it cotton handlers are now able to obtain very low cost money on either demand or time loans. Ultimately, when New Orleans system is more completely developed, large handlers of this collateral should be able to use it as collateral against call loans derived from surplus monies lying idle in any part of the country or the world.

The same relative degree of efficiency in the handling and financing of grain has been provided and soon will be provided for coffee, sugar, lumber, rice, coal and general commodities.

INDUSTRIAL CANAL AND INNER HARBOR

Because public ownership of the harbor front prevents free play on the water front to private enterprise, auxiliary water frontage had to be created to encourage private capital to invest in great industries, warehouses and other enterprises in New Orleans requiring water front sites where railroads, boats and ships can be brought into close coördination with production and storage.

The problem presented was a large one. Years were spent in study, other years in securing an amendment to the state constitution, still other years in engineering surveys and research.

In February, 1918, the time to finance and begin work on the canal came, and the New Orleans Association of Commerce called an executive conference of financiers, city officials, state officials and engineers. One month later, plans for the financing of the project had so far matured that the New Orleans banks offered to advance the money needed for construction, their

reimbursement to come when the bond issues could be prepared and sold.

Meanwhile, in anticipation of this outcome, several of the world's largest dredges had been obtained and held in readiness, and within one week after the completion of the preliminary financial arrangements four giant dredges were at work.

General George W. Goethals, builder of the Panama Canal, is building New Orleans' Industrial Canal and Inner Harbor. The project will be completed within a year.

Dimensions of the canal are: Length, $5\frac{3}{4}$ miles; width, 300 feet; depth in extreme low water, 30 feet. The great lock at the Mississippi River end of the canal will accommodate a ship 74 feet wide, 700 feet in length, and drawing 30 feet at extreme low water. Ninety-nine per cent of the time there will be 35 feet of water on the sill.

An industrial strip of land 1,000 feet in width on either side of the canal and extending its entire length is owned by the public. Under the law this can be leased to industries or business enterprises for any period up to ninety-nine years on very favorable terms. The municipal Belt Railroad now connects or will connect with all the sites.

Extensive shipbuilding enterprises already are established on the canal, and seven great steel ships are being constructed under a guaranty by the Dock Board that a channel to the sea will be ready when they are launched.

This is probably the first case on record where ocean going shipbuilding, involving enormous outlay for shipbuilding plants, began in the center of dry land, with navigable water nearly two miles away. The dredges are ahead of their schedule and the channel was ready a month before the first ship was ready for the water. One of these plants is a French government project, the other is a United States Shipping Board project.

HIGHWAY CONSTRUCTION

Because the city is surrounded by navigable water and by wet prairies, New Orleans, is practically, an island. Highway construction into and out of the city has presented some big problems. In April of this year money was raised with which to construct two 365-mile highways leading east and north from the

city across wet prairies. These highways will cost about \$50,000 a mile, exclusive of a number of very costly bridges over wide deep streams.

Early this year the financing of a paved highway extending along the Gulf Coast from New Orleans to the Texas border was completed, and the financing of a paved highway extending from New Orleans to Baton Rouge and Shreveport was practically completed.

Over these four great highways twelve national and international highways will reach the city, including one to Winnipeg, Canada, now more than 60 per cent complete; another to Nashville and Chicago, another to Jacksonville, Fla., and still another to Los Angeles.

Now that the money is in hand, New Orleans' four trunk highway outlets will be completed without further delay.

VOCATIONAL TRAINING

Industrial development, as a result of a port improvement, is now very marked in New Orleans. Throughout the spring of 1919 when many sections were reporting idleness, there was a full demand for skilled and unskilled labor in the city, with a greatly increased demand in sight. For this reason it is fortunate that the city government has a bequest of nearly \$1,000,000 for a great vocational school, which will be begun before the end of 1919.

ORGANIZED COMMERCIAL ENDEAVOR

Realizing that the city's development required careful and expert leadership, the business men of New Orleans reorganized a struggling progressive union or commercial club into a modern Association of Commerce, with 4,500 of the leading men of the city as members, and put it to work on a city plan, on domestic and foreign trade development, on good roads promotion, and in organizing the Mississippi Valley to make a concerted effort to redevelop the north and south channel of trade.

The building of the Industrial Canal and Inner Harbor is one of the outstanding results of the work of the New Orleans Association of Commerce. The building of the New Orleans-Winnipeg Highway is another.

Amendments to the state constitution which exempt money on

deposit, mortgage, loans, and ships domiciled in a Louisiana port from taxation are other samples of the vision and constructive work of this business men's organization.

Wet lands around New Orleans are being drained and used for the production of corn, vegetables and other food stuffs, and the New Orleans breweries are being changed into dehydrating plants for the reduction of these food stuffs into an imperishable form.

The state owns 400,000 acres of oyster bottoms; and some day these old breweries which are being turned into dehydrating plants will be reducing Louisiana's oyster flour and selling it in barrels and packages as one of the staple foods of the country. New Orleans believes its breweries can help more by becoming dehydrating plants than by becoming soft drink factories.

While New Orleans' new facilities are not all complete and in working order yet, the beneficial effect of what had been done is best shown by the increases in foreign trade and in bank clearings as follows:

	<i>Imports and Exports</i>	<i>Bank Clearings</i>
1890.	122,785,054	528,883,431
1900.	133,349,575	556,690,000
1910.	216,358,440	987,491,234
1913.	261,176,635	980,683,893
1917.	435,981,894	1,968,023,811
1918.	524,255,286	2,660,460,335